



DRAFT MINUTES

LAFCO REGULAR MEETING

Wednesday, September 15, 9:00 a.m.

Board of Supervisors Hearing Room, Hall of Administration

10 Civic Center Plaza, Santa Ana

(Any member of the public may request to speak on any agenda item at the time that item is being considered by the Commission.)

1. CALL TO ORDER

Chair Charles Smith called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:05 a.m.

2. PLEDGE OF ALLEGIANCE

Vice Chair Susan Wilson led the pledge of allegiance.

3. ROLL CALL

The following commissioners and alternates were present:

- **Commissioner Robert Bouer**
- **Commissioner Bill Campbell**
- **Commissioner Peter Herzog**
- **Commissioner Arlene Schafer**
- **Commissioner Charles Smith**
- **Commissioner Susan Wilson**
- **Commissioner John Withers**
- **Alternate Commissioner Rhonda McCune**
- **Alternate Commissioner Charley Wilson**

The following LAFCO staff members were present:

- **General Counsel Scott Smith**
- **Executive Officer Joyce Crosthwaite**
- **Assistant Executive Officer Bob Aldrich**
- **Project Manager Carolyn Emery**
- **Project Manager Kim Koeppen**
- **Communications Analyst Danielle Ball**
- **Administrative Assistant Daphne Charles**

4. OATH OF OFFICE FOR EXECUTIVE OFFICER JOYCE CROSTHWAITE

Newly hired Executive Officer Joyce Crosthwaite took an oath of office.

5. APPROVAL OF MINUTES

a.) August 11, 2004 – Regular Commission Meeting

Commissioner Campbell noted that his name wasn't included in the roll call, though he was present at the beginning of the August Commission meeting. He asked that the draft minutes be updated to reflect his attendance.

MOTION: Approve minutes from August 11, 2004 with revision as discussed (Arlene Schafer)
SECOND: Bill Campbell
FOR: Robert Bouer, Bill Campbell, Peter Herzog, Arlene Schafer, Charles Smith, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: Charles Smith
MOTION PASSED

6. PUBLIC COMMENT

Chair Smith requested public comments on any non-agenda item.

Alan Rice, a resident from an unincorporated island in the City of Santa Ana's sphere of influence, expressed his opposition to State legislation AB 1555 and LAFCO's Unincorporated Islands Program. He disagreed with the provisions that allow cities to annex small pockets of unincorporated County territory without allowing the residents an opportunity to protest. He indicated that he and his fellow homeowners would most like to remain unincorporated. However, realizing that the County will not be able to continue providing effective municipal services to their island, he said that 48 out of the 49 households in the island would prefer to annex to the City of Tustin, a city with which they feel a close affiliation, rather than the City of Santa Ana. He cited many reasons for the residents feeling an affinity with the City of Tustin, including the fact that the residents' children attend schools in Tustin. He left a written statement and map to be included as part of the official record and implored the Commission to intervene so that the residents might have a choice in the matter.

Chair Smith asked Mr. Rice to contact his office to make an appointment, as the island in questions is in his supervisorial district.

Executive Officer Joyce Crosthwaite indicated that Santa Ana's city council would convene on September 17, 2004 to consider initiating annexation of the island in question. She stated that, if initiated, the application would come to LAFCO as a

small islands annexation and further explained that, per standard interpretations of AB 1555, Commission approval of such applications is not discretionary. She stated that legal counsel was in the process of investigating alternatives.

Chair Smith requested further public comments. Receiving no response, he closed the public comment agenda item without any additional comments from the public

7. CONSENT CALENDAR

- a.) Legislative Report
- b.) Annexations to the Orange County Sanitation District
 - Russell Annexation to the Orange County Sanitation District (DA 04-06)
 - Jensen/Opittek/Hormuth/Rinehart/Jackson Annexation to the Orange County Sanitation District (DA 04-07)

MOTION: Approve the consent calendar (Robert Bouer)
SECOND: Peter Herzog
FOR: Robert Bouer, Bill Campbell, Peter Herzog, Arlene Schafer, Charles Smith, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

8. PUBLIC HEARING

- a.) Page Avenue Island Annexation to the City of Fullerton (IA 04-14)
- b.) Somerset Island Annexation to the City of Fullerton (IA 04-15)

Commissioner Silva entered the Commission meeting.

- 8a.** Project Manager Kim Koeppen presented the staff report for the Page Avenue island annexation to the Commission. She described the location of the Page Avenue island, adding that it encompasses 16 acres of inhabited territory consisting of 112 residents and 44 housing units. She stated that changes in the provision of municipal services would be limited to library services, local representation, and police services, which would transfer from the County of Orange to the City of Fullerton upon annexation.

She highlighted that, though there would be no changes to water and sewer service provision, the City of Fullerton would soon construct a new water main on Page Avenue to add to the sewer main that it recently completed. She stated that the pre-annexation agreement included \$175K in community development block grant funds to install a sewer backbone in the area but added that individual property owner connections to public sewer would be voluntary, as would connection to the city's water main.

Chair Smith opened the public hearing on the Page Avenue Island Annexation to the City of Fullerton (IA 04-14). Receiving no requests from the public to speak on the proposal, **Chair Smith** closed the public hearing on the Page Avenue Island Annexation to the City of Fullerton (IA 04-14).

MOTION: **Approve the Page Avenue Island Annexation to the City of Fullerton (IA 04-14) per the terms and conditions outlined in the staff report (John Withers)**

SECOND: **Arlene Schafer**

FOR: **Robert Bouer, Bill Campbell, Peter Herzog, Arlene Schafer, Charles Smith, Susan Wilson, John Withers**

AGAINST: **None**

ABSTAIN: **None**

MOTION PASSED

- 8b.** Project Manager Kim Koeppen presented the staff report for the Somerset island annexation to the Commission. She described the location of the Somerset island, adding that it encompasses 13 acres of inhabited territory consisting of 205 residents and 67 housing units. She stated that, as with the Page Avenue island annexation, changes in the provision of municipal services would be limited to library services, local representation, and police services, which would transfer from the County of Orange to the City of Fullerton upon annexation. She added that residents living in both islands would also be eligible to participate in the city voluntary paramedic subscription fee program for \$33/year following annexation.

Vice Chair S. Wilson asked if LAFCO staff had engaged in any community outreach efforts related to these island annexations to the City of Fullerton. Ms. Koeppen responded that staff held separate outreach meetings in both of the islands. She said that the meetings also involved staff from the County and the City of Fullerton and were well attended by the island residents. She commended the City of Fullerton for its engagement with the island residents, particularly in the Page Avenue island because of its infrastructure issues. She said that the residents in the Somerset island were specifically looking forward to more consistent, reliable emergency response.

Chair Smith opened the public hearing on the Somerset Island Annexation to the City of Fullerton (IA 04-15). Receiving no requests from the public to speak on the proposal, **Chair Smith** closed the public hearing on the Somerset Island Annexation to the City of Fullerton (IA 04-15).

MOTION: **Approve the Somerset Island Annexation to the City of Fullerton (IA 04-15) per the terms and conditions outlined in the staff report (Peter Herzog)**

SECOND: **Bill Campbell**

FOR: **Robert Bouer, Bill Campbell, Peter Herzog, Arlene Schafer, Charles Smith, Susan Wilson, John Withers**

AGAINST: None
ABSTAIN: None
MOTION PASSED

9. COMMISSION DISCUSSION

- a.) 2005 LAFCO Calendar
- b.) Authorization of Fund Transfers
- c.) Executive Officer's Work Schedule
- d.) Debrief from the 2004 CALAFCO Annual Conference

- 9a.** Assistant Executive Officer Bob Aldrich presented the proposed 2005 LAFCO calendar. He said that the Commission would convene on the second Wednesday of every month with the exception of January 2005, which staff proposed would be dark in lieu of the annual strategic planning meeting to be held at the end of that month.

Vice Chair S. Wilson asked if the Commission has foregone the January regular meeting in years past. Mr. Aldrich responded that the Commission typically convenes for a regular meeting in addition to the strategic planning meeting in January. He added, however, that it has been difficult for staff to coordinate the January regular meeting, the strategic planning meeting, and the February regular meeting in such a short timeframe. He indicated that staff will gladly schedule a regular meeting in January if a pressing issue arises.

Chair Smith commented that business is typically slow at the beginning of the year.

Commissioner Campbell asked if the omission of a regular January meeting would impact that Rancho Mission Viejo proposal. Mr. Aldrich responded that the Commission wouldn't likely consider that proposal until later in the year.

MOTION: Approve the 2005 LAFCO Calendar (Peter Herzog)
SECOND: Robert Bouer
FOR: Robert Bouer, Bill Campbell, Peter Herzog, Arlene Schafer,
Charles Smith, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

- 9b.** Assistant Executive Officer Aldrich stated that the amended County services agreement, approved by the Commission in July and subsequently by the Board of Supervisors in August, enables the Commission to establish its own accounting system independent from the County. He indicated that staff opened checking and savings accounts at Wells Fargo Bank and explained that staff requires the Commission's authorization to wire transfer funds from LAFCO's existing County account into the new accounts. He said that, if approved by the Commission, the wire

transfer authorization form provided by the County Auditor-Controller would require two signatures, that of the Executive Officer and that of the Assistant Executive Officer, prior to any wire transfer.

Vice Chair S. Wilson asked if the Commission would be authorizing a one-time transfer or on-going wire transfers. Mr. Aldrich responded that LAFCO will maintain funds in its County account for payroll services. He anticipated two to three wire transfers per year and said that the Commission's approval of the wire transfer authorization form would enable staff to complete future transfers without soliciting the Commission's approval at each instance.

Executive Officer Crosthwaite added that she and Mr. Aldrich were working with the Commission's independent auditor and bookkeeper to develop a rigorous set of checks and balances within LAFCO's accounting system.

MOTION: Authorize the Executive Officer and Assistant Executive Officer to transfer funds from the agency's Fund 770 to separate agency accounts (Arlene Schafer)
SECOND: Susan Wilson
FOR: Robert Bouer, Bill Campbell, Peter Herzog, Arlene Schafer, Charles Smith, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

- 9c.** Executive Officer Crosthwaite presented a list of active LAFCO projects for which she had established contracts as an independent consultant prior to accepting her position. She projected that she would take some time off prior the end of October to fulfill some of those obligations. Beyond October 2004, she said, she would be out of the office to attend one or two meetings a month through June 2005 to complete her remaining contractual obligations. She stated that, in accordance with the Commission's request, her time off would be taken in 8-hour increments as leave without pay. Further, she promised to work with Assistant Executive Officer Aldrich to ensure that her time out of the office would not negatively impact the staff.

Vice Chair S. Wilson commented that she spent considerable time with Ms. Crosthwaite at the CALAFCO conference and was impressed by the number and quality of relationships Ms. Crosthwaite has established with LAFCOs across the state.

Commissioner Withers noted that some of the dates on the Executive Officer's work schedule should be revised to reflect 2005 instead of 2004.

MOTION: Receive and file the Executive Officer's work schedule with revisions (John Withers)

SECOND: **Robert Bouer**
FOR: **Robert Bouer, Bill Campbell, Peter Herzog, Arlene Schafer,**
 Charles Smith, Susan Wilson, John Withers
AGAINST: **None**
ABSTAIN: **None**
MOTION PASSED

- 9d.** Executive Officer Joyce Crosthwaite stated that CALAFCO depends on the annual conference to fund its activities throughout the year. She said that, thanks to the Commission's staff, the Orange County conference far surpassed the funds raised at any past CALAFCO conference to date, approximately \$35K.

Chair Smith inquired re the results of the CALAFCO Board election. **Commissioner Herzog**, a member of the CALAFCO Board and chair of this year's conference program planning committee, responded that all but one of Orange County LAFCOs picks were elected to the CALAFCO Board. He added that the new elections process developed for this year's conference was a big improvement over years past.

Commissioner Herzog commended staff for coordinating such a successful conference, particularly Communications Analyst Ball and Assistant Executive Officer Aldrich, reminding the Commission that the departure of two key staff members made the planning efforts considerably more difficult. He said that, though the conference program planning committee was involved to some degree, the tremendous success of the conference was directly attributed to staff's tireless efforts, a fact that was very well recognized throughout the conference by the attendees and by the CALAFCO Board.

Commissioner Schafer also commended staff for putting together such a polished production, saying that the conference ran smoothly from start to finish.

Vice Chair S. Wilson asked how much past conferences have raised for CALAFCO's operating budget. **Commissioner Herzog** estimated that the previous record was \$10K, raised by Santa Barbara County LAFCO in 2002.

Vice Chair S. Wilson asked if the fiscal success of the conference was attributed to sponsorships. Communications Analyst Ball responded that sponsorships accounted for only \$5K of the total revenue, less than the average sponsorship total drawn at past conferences. She added that attendance number were down slightly at the 2004 conference, as well. She attributed the financial success of the conference to conservative planning. She added that she would be submitting her recommendations for future conferences to the CALAFCO Board and invited the Commission's input.

Commissioner McCune echoed the comments of her fellow commissioners, thanking staff for a job well done. She said that she particularly enjoyed keynote speaker Bob Hertzberg.

10. COMMISSIONER COMMENTS

Chair Smith opened commissioner comments.

Commissioner Withers asked when the Commission might expect its next MSR Program update. Executive Officer Crosthwaite responded that staff would provide an update at the Commission's October meeting.

Commissioner Silva stated that he, too, was interested in hearing the latest information about the MSR Program. He added that he just recently had a breakfast meeting with his constituents in unincorporated Rossmoor.

Receiving no further response, **Chair Smith** closed the public comment agenda item without any additional comments from the Commission.

11. INFORMATIONAL ITEMS

None

12. CLOSED SESSION

None

13. ADJOURNMENT

Chair Smith adjourned the meeting at 9:45 a.m.

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JOYCE CROSTHWAITE
Executive Officer
Orange County Local Agency Formation Commission

By: _____
Danielle M. Ball
Communications Analyst/Commission Clerk